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SUBJECT: JERUSALEM MEDIA REACTION (06/12): PALESTINIANS: END
DIVISION AND CAPITALIZE ON OBAMA'S REGIONAL ENGAGEMENT

Main Stories:

Al-Hayat Al-Jadida leads with and Al-Ayyam and Al-Quds front page wire reports on the joint press conference held in Ramallah for Palestinian Authority (PA) Premier Fayyad and EU High Commissioner for Foreign Policy Solana on June 11. Fayyad told press that the U.S. is seriously engaged in preparing a proposal for ending the Palestinian-Israeli conflict. Fayyad reiterated the importance of ending the conflict and urged Israel to meet its Roadmap obligations. Solana reconfirmed EU support for peace efforts and upholding Roadmap obligations. In related news, PA chief negotiator Erekat responded in an exclusive interview with Al Ayyam to an Israeli proposal presented by Israeli President Peres to Solana, proposing a Palestinian state with temporary borders. Erekat stated that the PA fully rejects the proposal and added that, "Israel is being manipulative."

Al-Quds leads with news about Israeli Minister of Interior declining on June 11 to endorse a zoning plan for Jerusalem that includes the establishment of housing units for Palestinians in the southern part of East Jerusalem. The Minister noted that the plan includes construction of, "many unnecessary housing units for Palestinians, exceeding the need," according to coverage.

Al-Ayyam leads with and Al-Quds and Al Hayat Al-Jadida front page news about the World Health Organization announcing that the swine flu is "the pandemic of the 21st century." In related news, Al-Quds runs front page coverage citing wires that new cases have been reported in Israel.

Al-Ayyam runs front page news citing DPA and Israeli daily Haaretz about Israeli Prime Minister Netanyahu's major policy speech scheduled for next week. Sources close to Netanyahu believe that

the speech will focus on acceptance of the two-state solution and the Roadmap, but will also declare rejection of any freeze in settlement activities in the West Bank, according to coverage.

Al-Hayat Al-Jadida runs front page coverage citing Reuters on statements made by Hamas leader Misha'al to Al-Sharq Al-Awsat journal in Cairo on June 11 about President Obama's preconditions to pursuing talks with Hamas. Misha'al is quoted stating that, "we sensed a new language and a new tone from the U.S. administration and we are waiting to see changes on the ground." Misha'al urged the U.S. to drop preconditions and open dialogue with Hamas, "since President Obama keeps reiterating his readiness to open a new page with the Muslim world, why should he put preconditions on talks?" In related news, Al-Quds runs front page coverage of former U.S. president Carter's meetings with Syrian officials and Hamas leaders in Syria on June 11. Carter called on the U.S. to pursue talks with Hamas in order to end the Palestinian-Israeli conflict.

Al-Ayyam's front page cites AFP in reporting about U.S. Envoy Mitchell's June 11 joint press conference with Egyptian officials in Cairo. Mitchell called on Arabs to take concrete steps towards normalizing relations with Israel, according to coverage. For his part, Egyptian Foreign Minister Al Ghayt urged Israel to halt settlement activities and withdraw from West Bank areas.

Al-Quds' front page reports that Palestinian Authority (PA) Premier Fayyad during his June 11 cabinet meeting, reiterated PA demands that Israel accept the two-state solution, halt all settlement activities and adhere to Roadmap obligations before any peace talks can begin. Fayyad also called on the U.S. to move ahead with a

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practical plan that ensures peace and security in the Middle East.

Attacks by Israeli settlers on Palestinians in the West Bank continue, according to Al Quds' front page. The paper reports that settlers burned several Palestinian farms in the Hebron and Nablus districts on June 11, according to coverage.

BLOCK QUOTES:

1) Al-Quds independent daily runs an editorial under titled, "Palestinian dialogue leaves a positive impression, but we need action"(06/12): "Since the U.S. administration is using new, positive language, the least we could do as Palestinians would be to start using new language of our own; one that would serve our goals and responds to Obama's positive stance on a regional solution... We should have a national Palestinian consensus government that formulates a unified position as quickly as possible so that we do not squander what we are being offered by the Americans..."

2) Samih Shbayb opines in Al-Ayyam independent daily under the title "Netanyahu's speech" (06/12): "In his upcoming speech, Netanyahu is expected to agree to the two-state solution and the Roadmap, but will, of course, never agree to halting settlement activities... However, in accepting a Palestinian state, Netanyahu will distance the concept of a state from all international agreements or specific requirements, ultimately rendering the two-state solution meaningless... It is now Obama's turn to appropriately respond to this deceiving and vague proposal."

WALLES